GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2669
ANSWERED ON:04.12.2007
EMPLOYMENT IN MANUFACTURING SECTOR
Jindal Shri Naveen

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the employment potential in the manufacturing sector has increased during the last three years ;

(b) if so, the details thereof;

(c) the segments in which this sector has made substantial progress;

(d) whether the government has provided any incentives to these sectors for higher growth and employment; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) to (c): The employment in Manufacturing sector has increased from 48.0 million in 1999-2000 to 53.71 million in 2004-05.The employment in organized manufacturing sector has come down from 6.6 million in 1999-2000 to 5.68 million in 2004-05. This is due to a transition to capital intensive industry and skill based manufacturing in order to enable companies to retain their competitive advantages. The employment in unorganized sector of manufacturing has increased from 41.4 million to 48.03 million in the same period.

(d) & (e): The Government has put in place various policies to promote broad based industrial growth, which generates employment. This includes, inter−alia, delicensing of industrial capacity, liberalization of foreign trade regime to provide better access to inputs at competitive price, rationalization and reduction in duty rates of custom and central excise, better infrastructure support and liberal FDI inflow etc. The government policy also aims at faster and more inclusive growth and generation of employment particularly in labour intensive manufacturing sector. The sectors are being given emphasis include food processing, leather products, footwear and textiles. The transport Subsidy scheme is being implemented to promote industrial development in the North East and other hilly regions. Micro, Small and Medium Enterprise Act 2006 has been enacted to promote and develop these enterprises which are more labour intensive.